Canada) had been governed by bilataral textile agreements entered into between India and these countries under the aegis of the Multi-Fibre Arrangement (MFA), outside the rules of the General Agreement on Tariffs and Trade (GATT). With effect from January 1, 1995, the quantitative restrictions (import quotas) in the bilateral agreements under MFA, are being governed by the Agreement on Textiles and Clothing (ATC) contained in the Final Act of the Uruguay Round negotiations of the GATT. Presently, our textiles and clothing items face restraints in USA, European Union and Canada. Quotas by themselves are trade restrictive.

As per ATC, the textiles quotas would be phased out and textile sector fully integrated into WTO by 1st January, 2005. The Government has been raising the issues of meaningful integration including enhanced quota, under WTO Agreement on Textile and Clothing at various fora.

Non-availability of raw material to handloom sector

740. SHRI C. RAMACHANDRAIAH: Will the Minister of TEXTILES be pleased to state:

(a) whether Government are aware of the fact that the handloom sector the largest generator of non-farm rural employment is facing severe crisis due to non-availability of raw material, credit and marketing network;

(b) if so, the reasons therefor; and

(c) the steps being taken to make available the required raw material and increased access to credit the percentage of the credit extended to the sector by public sector banks of the credit?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI V. DHANANJAY KUMAR): (a) to (c) No, Sir. Government is not aware of any crisis in the handloom sector due to non-availability of raw material. All types of raw materials are freely available in the market. To ensure the availability of yarn, Government of India is strictly implementing the hank yarn packing notification issued under the Textile (Development & Regulation) Order. Further, to ensure the availability of yarn, the Government of India is implementing a scheme, *viz.* Mill Gate Price Scheme. Under the scheme all types of yarn required by the handloom sector as per their choice are being supplied to the Handloom organisations at their godown at the price at which it is available at the Mill Gate/ Manufacturing Units.

The strict implementation of the hank yarn packing notification and the Mill Gate Price Scheme has ensured adequate availability of yarn to the handloom weavers, and the satisfactory availability position has helped to maintain the price stability.

Credit is a requirement, apart from central/state assistance, in respect of certain schemes, such as, the Project Package Scheme (PPS), Workshed-cum-Housing Scheme and Deen Dayal Hathkargha Protsahan Yojana (DDHPY). In order to enable the beneficiaries to meet this requirement, credit limits are sanctioned through State Cooperative Banks (SCBs) and District Central Cooperative Banks (DCCBs) and refinance facilities are provided by the National Bank for Agriculture and Rural Development (NABARD). The PPS is now not in vogue while the other two schemes are in operation. To meet the working capital requirements of the Weavers' Cooperative Societies and State Handloom Development Corporation (SHDCs), for production procurement and marketing activities as well as the purchase and sale of yarn, NABARD provides refinance facilties through SCBs DCCBs and Commercial Banks at concessional rates of Interest. In addition, the National Scheduled Castes and Scheduled Tribes Finance and Development Corporation, National Minorities Finance and Development Corporation, National Backward Classes Finance and Development Corporation also provide working capital loans to the weavers of identified communities.

There is no reported difficulty in getting loans from the Banks in cases of proposals which are in conformity with the prescribed requirements.

As far as marketing is concerned, No reports have been received from the State Governments on non-availability of marketing network.

Steering Group on fiscal policies of textile sector

741. SHRI RAJNATH SINGH SURYA:
SHRI NANA DESHMUKH:

Will the Minister of TEXTILES be pleased to state:

(a) whether the report of the Steering Group on fiscal policies concerning the textile sector and export capabilities of domestic textile mills has since been received;

(b) if so, what are its recommendations;